

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

IN RE: } Case No. 05-63146  
THE QUAY CORPORATION, INC., } Chapter 11  
Debtor/Debtor-in-Possession. } Judge Schmetterer  
} Hearing: 10/16/07 @ 10:00 a.m.

**NOTICE OF MOTION**

TO: See Attached Service List

PLEASE TAKE NOTICE that on the 16<sup>th</sup> day of October, 2007, at the hour of 10:00 a.m., or as soon thereafter as counsel can be heard, I shall appear before the Honorable Jack B. Schmetterer, Bankruptcy Judge, in room 682 of the United States Bankruptcy Court in the Everett McKinley Dirksen Federal Building, 219 South Dearborn Street, Chicago, Illinois, or before any other Judge who may be sitting in his place and stead and shall present the **Motion for Allowance of Final Compensation and Reimbursement of Expenses to Debtor's Counsel**, a copy of which is attached hereto and herewith served upon you, and shall pray for the entry of an Order in compliance therewith.

AT WHICH TIME and place you may appear if you so see fit.

/s/ David K. Welch  
Crane, Heyman, Simon, Welch & Clar  
135 S. LaSalle St., Suite 3705  
Chicago, Illinois 60603  
(312) 641-6777

**CERTIFICATE OF SERVICE**

The undersigned, being first duly sworn on oath deposes and states that a copy of the foregoing Notice and Motion was caused to be served via First Class Mail properly addressed and postage prepaid to all parties with an asterisk (\*) and a copy of the Notice regarding the fee hearing was served upon all parties on the attached service list, on the 7th day of September, 2007, before the hour of 5:00 p.m.

/s/ David K. Welch

**SERVICE LIST**

United States Trustee\*  
227 W. Monroe, #3350  
Chicago, IL 60603

James M. McArdle, Esq.\*  
Scott & Kraus LLC  
150 S. Wacker Dr., #2900  
Chicago, IL 60606

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10 S. LaSalle St., #3600  
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Scalabrino & Arnoff  
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Barack Ferrazzano, et al.  
200 W. Madison St., #3900  
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Monica C. O'Brien, Esq.  
Gregory K. Stern, PC  
53 W. Jackson Blvd., #1442  
Chicago, IL 60604

Brian M. Dougherty, Esq.\*  
Goldstine Skrodzki Russian  
Nemec and Hoff, Ltd.  
835 McClintock Dr., 2<sup>nd</sup> Floor  
Burr Ridge, IL 60527

Howard L. Adelman, Esq.\*  
Adam P. Silverman, Esq.  
Adelman & Gentlemen, Ltd.  
53 W. Jackson Blvd., #1050  
Chicago, IL 60604

Robert E. Richards, Esq.\*  
Patrick C. Maxcy, Esq.  
Sonnenchein Nath & Rosenthal  
7800 Sears Tower, 233 S. Wacker  
Chicago, IL 60606

Benjamin L. Schneider, Esq.\*  
Quarles & Brady, LLP  
500 W. Madison St., #3700  
Chicago, IL 60661

The Quay Corporation, Inc.\*  
Attn: Victor Cuellar  
7101 N. Capital Drive  
Lincolnwood, IL 60712

James Wilson, Esq.\*  
Shefsky & Froelich  
111 E. Wacker Dr., #2800  
Chicago, IL 60601

Michael Pakter\*  
Gould & Pakter Associates LLC  
205 W. Wacker Dr., #918  
Chicago, IL 60606

Air Services Company  
108 Gateway Road  
Bensenville, IL 60106

Allied Waste Services  
PO Box 9001154  
Louisville, KY 40290-1154

American Express  
Box 0001  
Los Angeles, CA 90096-0001

Arcadia Press, Inc.  
10915 Franklin Ave.  
Franklin Park, IL 60131

Arem Container 6153 W. Mulford Niles, IL 60714	City of Decatur c/o SouthTrust Bank, Drawer 1121 PO BOX 830620 Birmingham, AL 35283-0620
Arem Container & Supply Co. 6153 W. Mulford Niles, IL 60714	Cole Taylor Bank 111 W. Washington, #400 Chicago, IL 60602
Arlington Disposal PO Box 916061 Fort Worth, TX 76191-6061	Concentra Medical Centers 200 Trade Port Blvd, #211 Atlanta, GA 30354
Assured Pest Control 2506 Royal Lytham Street Saint Charles, IL 60174	Conference Plus 2509 Paysphere Circle Chicago, IL 60674
Bell Flavors & Fragrances, Inc. 500 Academy Drive Northbrook, IL 60062	Consumers Vinegar 4723 S. Washtenaw Chicago, IL 60632
Bell's Forklift Repair, Inc. PO Box 396 Locust Grove, GA 30248	Crave Bros. Farmstead Cheese W11555 Torpy Road Waterloo, WI 53594
Buckeridge Door Co., Inc. 15 East University Drive Arlington Heights, IL 60004-1871	Cryovac PO Box 91279 Chicago, IL 60693
Catalina Properties 19792 MacArthur Blvd., #265 Irvine, CA 92612	Hector Cuellar c/o Quay Corp 19782 McArthur Blvd., #265 Irvine, CA 92612
ChevronTexaco Corporation 6001 Bollinger Canyon Rd. San Ramon, CA 94583	D&G Trucking Company 463 S. Prospect Ave. Roselle, IL 60172
Chr. Hansen's Laboratory, Inc. 9015 West Maple St. PO Box 14428 Milwaukee, WI 53214-4298	Danisco Cultor USA Inc. 201 New Century Parkway New Century, KS 66031
City of Alexander City Business License PO Box 552 Alexander City, AL 35011	DeKalb County Georgia Treasury & Accounting Services PO Box 100001 Decatur, GA 30031-7001

DeKalb County Tax Commissioner  
PO Box 10004  
Decatur, GA 30031-7004

Garcia Foods, Inc.  
PO Box 13280  
1802 Jackson Keller  
San Antonio, TX 78213-0280

Dependable Fire Equip., Inc.  
60 LeBaron St  
Waukegan, IL 60085-3025

Gelatin Desserts & Paletas  
PO Box 4738  
Houston, TX 77210-4738

Division Center  
c/o JSC Realty Services Inc.  
5440 Harvest Hill Rd., #101  
Dallas, TX 75230

Goldthorn Sales & Marketing  
1425 Knottingham Drive  
Little Elm, TX 75068

E-Z Spuds  
2223 Washington Street  
Evanston, IL 60202

Great Lakes Milk Products, Inc.  
3000 West North Avenue  
Melrose Park, IL 60160

El Carmen Imports  
1620 N. Kolamr Ave  
Chicago, IL 60639

H&B Packaging  
702 Forrest  
Waco, TX 76704

El Superior Chorizos, LLC  
233 S. Erie St, #400  
Chicago, IL 60611

Hector Cuellar  
10 Morning Light  
Newport Coast, CA

El Superior Mexican Foods  
920 W. Fulton St.  
Chicago, IL 60607

Houston Produce Center  
3114 Produce Row  
Houston, TX 77023

Elite Waste Industries  
PO Box 38319  
Houston, TX 77238

Houston Produce Center  
Buys 1-3, Building D  
Houston, TX

Evans Food Products  
4118 S. Halsted Street  
Chicago, IL 60609-2694

Idealease of Atlanta  
4571 Buford Hwy  
Norcross, GA 30071

Federal Express  
Lockbox 360353, Room 154-0455  
500 Ross Street  
Pittsburgh, PA 15262

Import & Export del Sur, Inc.  
2532 W. Warren Blvd.  
Chicago, IL 60612

Flavorchem  
1525 Brook Drive  
Downers Grove, IL 60515

Instant Whip Foods  
1535 North Cicero Ave.  
Chicago, IL 60651

InterCall PO Box 281866 Atlanta, GA 30384-1866	MCI WorldCom PO Box 856059 Louisville, KY 40285-6059
J Bar B Foods 100 Main Waelder, TX 78959	McMaster-Carr Supply Co. PO Box 7690 Chicago, IL 60680-7690
Johnstone Supply 6401 Chestnut Street Louisburg, KS 66053	Mexican Cheese Producers 1625 10th Street, Suite 205 Monroe, WI 53566
Katalina Enterprises 19782 McArthur Blvd., #265 Irvine, CA 92612	Nextec Operating Corp. 3415 S. Sepulveda Blvd., Suite 130 Los Angeles, CA 90034
La Flor de Jalisco Mr. Roberto Ramirez 4935 W. Fullerton Ave. Chicago, IL 60639	NICOR Gas Attn: Paul C. Gracey, Jr., Esq. 1844 Ferry Rd Naperville, IL 60563
Label Tek, Inc. 1217 S. Bridge Street Yorkville, IL 60560	Nicor Gas PO Box 416 Aurora, IL 60568-0001
Laser Nework, Inc. 8 Horizon Ave. Venice, CA 90291	Novation 2 N. 8th Street - Suite 100 PO Box 161114 Manitowoc, WI 54221-1614
Lease Dimensions PO Box 74186 Cleveland, OH 44194-4186	NT Logistics 5204 Tennyson Pkwy, #200 Plano, TX 75024
Lifeway Food, Inc. 6431 W. Oakton Street Morton Grove, IL 60053	Office Depot Dept 56-4200995933 Columbus, OH 43218-2378
Mahoney Environmental 2202 Mound Road Joliet, IL 60436	Onyx Waste Services, Inc. 2800 Shermer Road Northbrook, IL 60062
Martinez Imports 4417 W. 55th St., Apt. 3B Chicago, IL 60632	Packaging Technologies 807 West Kimberly Road Davenport, IA 52806

Paragon Manufacturing, Inc.  
2001 N. 15th Avenue  
Melrose Park, IL 60160

Sprint PCS  
PO Box 219718  
Kansas City, MO 64121-9718

Phil-Mart Transportation  
PO Box 157  
31 Harrison Street  
Braselton, GA 30517

St. Charles Trading  
650 N. Raddanta Road  
Batavia, IL 60510

Poly Plastics, Inc.  
1751 S. Interstate 45  
PO Box 402  
Ferris, TX 75125

Stallings  
2314 Portsmouth  
Houston, TX 77098

Preferred Transit, Inc.  
PO Box 199  
Monroe, WI 53566

STAMAR Packaging Inc.  
1415 Enterprise Drive  
Romeoville, IL 60446

Productos Mama Lycha  
4442 W. 12th Street  
Houston, TX 77055

State of Illinois Boiler Safety  
1035 Stevenson Drive  
Springfield, IL 62703-4599

Quality Snack Foods, Inc.  
404 S. Normal Ave.  
Chicago, IL 60609

State of Illinois-Boiler Safey  
1035 Stevenson Drive  
Springfield, IL 62703-4599

Quill Corporation  
100 Schelter Rd  
Lincolnshire, IL 60069

Superior Knife Inc.  
8120 N. Central Park Ave.  
Skokie, IL 60076

Reisner Packaging Inc.  
339 W. River Road  
Building A, Suite B  
Elgin, IL 60123

Superior Packaging, Inc.  
2810 Panorama Drive  
Carrollton, TX 75007

Robert Rosa  
10850 Cortland Ln  
Huntley, IL 60142

Tampico Graphics  
1919 South Blue Island Avenue  
Chicago, IL 60608

San Antonio Packing Company  
1922 S. Laredo  
San Antonio, TX 78207

Terminix International  
PO Box 870849  
Stone Mountain, GA 30087-0022

South Water Market, Inc.  
2525 South Blue Island Ave  
Chicago, IL 60608

Texaco  
PO Box 9010  
Des Moines, IA 50368-9010

Texas Chili Company  
3013 N. Jones  
Fort Worth, TX 76164

Wisconsin Cheese Group  
36909 Treasury Center  
Chicago, IL 60694-6900

Torkelson Cheese Co.  
Hwy 73 North  
9453 Louisa Rod  
Lombard, IL 60148

XO Communications Services  
PO Box 5738  
Carol Stream, IL 60197-5738

Torkelson's Prairie Hill  
N398 Twin Grove Road  
Monroe, WI 53566

Zep Manufacturing  
13237 Collections Center Drive  
Chicago, IL 60693

U.S. Department of Agriculture  
Food Safety & Insp. Service  
21526 Network Place  
Chicago, IL 60673-1215

Urschel Laboratories, Inc.  
PO Box 96319  
Chicago, IL 60693-6319

Victor Cuellar  
c/o The Quay Corp.  
7201 N. Capital Drive  
Lincolnwood, IL 60712

Village of Skokie  
5127 Oakton St  
Skokie, IL 60077

W & W Dairy, Inc.  
c/o Dave W  
405-18th Avenue  
Monroe, WI 53566

Welding Apparatus Co., Inc.  
1668 N. ada St.  
Chicago, IL 60622

Wilshire Country Club  
301 N. Rossmore Ave.  
Los Angeles, CA 90004

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

IN RE:  
THE QUAY CORPORATION, INC.,  
Debtor/Debtor-in-Possession.  
}  
Case No. 05-63146  
Chapter 11  
Judge Schmetterer  
Hearing: 10/16/07 @ 10:00 a.m.

**NOTICE OF HEARING ON REQUESTS FOR ALLOWANCES  
OF FINAL COMPENSATION AND REIMBURSEMENT  
OF EXPENSES TO VARIOUS PROFESSIONALS**

**PLEASE TAKE NOTICE** that the following professionals are seeking the allowance of final compensation and reimbursement of expenses in the above-captioned Chapter 11 case ("Fee Requests").

<u>PROFESSIONAL</u>	<u>PERIOD COVERED</u>	<u>FEES REQUESTED</u>	<u>EXPENSES REQUESTED</u>
David K. Welch, Esq. Crane, Heyman, Simon, Welch & Clar, Debtor's Counsel	2/1/07- 7/17/07	\$102,676.00	\$9,502.81
Bruce Scalabrinio, Esq. Scalabrinio & Arnoff, LLP, Official Unsecured Creditors' Committee's Counsel	1/1/07 - 7/31/07	\$63,840.50	\$2,119.02
Mark G. Kucik The Kucik Valuation Group, LLC, Financial Advisor to the Official Unsecured Creditors' Committee	7/1/06 - 1/31/07	\$2,375.00	-0-
James Wilson <sup>1</sup> Shefsky & Froelich Debtor's Special Counsel	11/1/06 - 4/30/07	\$472,825.00	\$39,269.30
Michael Pakter <sup>2</sup> Gould & Pakter Associates LLC Debtor's Expert Witness	12/06 - 3/31/07	\$149,626.00	-0-

<sup>1</sup> Debtor's Special Counsel has agreed to limit their fees and expenses to the total sum of \$300,000.00.

<sup>2</sup> Debtor's Expert Witness has agreed to limit their fees to the total sum of \$100,000.00.

**PLEASE TAKE FURTHER NOTICE** that a hearing on the Fee Requests will be held before the Honorable Jack B. Schmetterer, courtroom 682, 219 S. Dearborn, Chicago, Illinois 60604 on October 16, 2007, at 10:00 a.m. Copies of the Fee Requests will be available at the Office of the Clerk of the Bankruptcy Court, 219 S. Dearborn, Chicago, Illinois 60604, or from the professionals making the Fee Requests.

Objections, if any, shall be in writing and filed with the Clerk of the Bankruptcy Court, 219 S. Dearborn, Chicago, Illinois 60604 by the close of business on October 11, 2007. Copies of such objections shall be served upon the following persons in accordance with the applicable provisions of the Federal Rules of Bankruptcy Procedure:

U. S. Trustee  
227 W. Monroe, #3350  
Chicago, IL 60606

David K. Welch, Esq.  
Crane, Heyman, Simon, Welch & Clar  
135 S. LaSalle, #3705  
Chicago, IL 60603

Bruce Scalabrino, Esq.  
Scalabrino & Arnoff, LLP  
33 N. LaSalle St., #1210  
Chicago, IL 60602

Dated: September 7, 2007

**DEBTOR'S COUNSEL:**

DAVID K. WELCH, ESQ.  
(Atty. No. 06183621)  
ARTHUR G. SIMON, ESQ.  
(Atty. No. 03124481)  
JEFFREY C. DAN, ESQ.  
(Atty. No. 06242750)  
CRANE, HEYMAN, SIMON, WELCH & CLAR  
135 S. LaSalle St., Suite 3705  
Chicago, IL 60603  
(312) 641-6777  
\mjo\quay corp\fee final.not.wpd

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

IN RE: } Case No. 05-63146  
THE QUAY CORPORATION, INC., } Chapter 11  
Debtor/Debtor-in-Possession. } Judge Schmetterer  
} Hearing: 10/16/07 @ 10:00 a.m.

**COVER SHEET FOR APPLICATION FOR  
PROFESSIONAL COMPENSATION**

Name of Applicant: CRANE, HEYMAN, SIMON, WELCH & CLAR, Debtor's Counsel

Authorized to Provide  
Professional Services to: Debtor

Date of Order  
Authorizing Employment: October 27, 2005

Period for Which Compensation  
is Sought: From: February 1, 2007 through July 17, 2007

Amount of Fees Sought: \$102,676.00

Amount of Expense  
Reimbursement Sought: \$9,502.81

This is a(n): Interim Application  Final Application   
If this is not the first Application filed herein by this professional, disclose as to all prior  
fee applications:

<u>Date Filed</u>	<u>Period Covered</u>	Total Requested (Fees and Expenses)	Total Allowed
	10/13/05 - 2/14/06	\$84,803.23	\$84,803.23
	2/15/06 - 6/30/06	\$58,842.09	\$58,842.09
	7/1/06 - 1/31/07	\$143,010.60	\$143,010.60

The aggregate amount of fees and expenses paid to the Applicant to date for services rendered and expenses herein is: \$286,655.92

Date: September 7, 2007

Applicant:

David K. Welch and the firm  
Crane, Heyman, Simon, Welch & Clar

By: /s/David K. Welch  
Debtor's Counsel

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

IN RE: ) Case No. 05-63146  
THE QUAY CORPORATION, INC., ) Chapter 11  
Debtor/Debtor-in-Possession. ) Judge Schmetterer  
                                    ) Hearing: 10/16/07 @ 10:00 a.m.

**MOTION FOR ALLOWANCE OF FINAL COMPENSATION  
AND REIMBURSEMENT OF EXPENSES TO DEBTOR'S COUNSEL**

DAVID K. WELCH and the law firm of CRANE, HEYMAN, SIMON, WELCH & CLAR ("CHSWC"), Counsel to The Quay Corporation, Inc., Debtor herein, make their motion pursuant to Section 330 of the Bankruptcy Code for allowance of final compensation and reimbursement of expenses for legal services rendered during this Chapter 11 case; and in support thereof, state as follows:

**Introduction**

1. On October 18, 2005, the Debtor filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code.
2. The Debtor operated its business and managed its financial affairs as Debtor-in-Possession through confirmation of the Debtor's Second Amended Plan of Reorganization ("Plan"). No trustee or examiner was appointed to serve in this Chapter 11 case. However, an official committee of unsecured creditors ("Committee") was appointed and is actively represented by Counsel.
3. On October 27, 2005, this Court entered an Order authorizing the Debtor to retain CHSWC as its Counsel in this Chapter 11 case with compensation subject to the further Order of this Court. CHSWC has served continuously as Debtor's Counsel since the entry of the retention Order by this Court.

4. By this Motion, CHSWC requests an allowance of final compensation and reimbursement of expenses in the amounts of \$102,676.00 and \$9,502.81, respectively, for legal services rendered to the Debtor during the period February 1, 2007 through July 17, 2007. CHSWC has received three (3) prior allowances of interim compensation and reimbursement of expenses in the aggregate amount of \$286,655.92 ("Interim Allowances"). CHSWC received a pre-petition retainer in the amount of \$35,000.00 which was credited against the first allowance of interim compensation made by this Court. CHSWC also requests that this Court approve the Interim Allowances under Section 330 of the Bankruptcy Code. Itemizations of the legal services rendered and expenses incurred during the period February 1, 2007, through July 17, 2007, are attached to this Motion as **Exhibits A and B**, respectively.

5. This Court has jurisdiction over this matter pursuant to 28 U.S.C. Sections 157 and 1334. This matter is a "core" proceeding within the meaning of 28 U.S.C. Section 157(b)(2)(A), (O).

6. The statutory predicates for the relief requested in this Motion are Section 330 of the Bankruptcy Code and Rules 2002(a) and 2016(a) of the Federal Rules of Bankruptcy Procedure.

#### Relevant Factual Background

7. The Debtor is an Illinois corporation with leased facilities as of the filing of this Chapter 11 case in Lincolnwood, Illinois; Skokie, Illinois; Chicago, Illinois; Decatur, Georgia; Arlington, Texas; Houston, Texas and Irvine, California. The Debtor employs approximately fifty-five (55) employees, and is primarily engaged in business as a manufacturer and distributor of Mexican style food products. The Debtor's annual sales for calendar 2004 were approximately \$18,000,000.00. Sales have increased during the course of this Chapter 11 case.

8. As of June 30, 2005, the Debtor had gross accounts receivable valued at approximately \$1,470,000.00, equipment and machinery with a book value after depreciation of approximately \$338,000.00, and inventory valued at approximately \$1,000,000.00. Historically, the Debtor regularly maintains accounts receivable and inventory with combined aggregate values substantially similar to that which existed as of June 30, 2005.

9. Cole Taylor Bank ("Bank") asserts liens in the Debtor's cash collateral and other assets securing claims in the alleged aggregate amount of approximately \$186,000.00 ("Secured Claim"). The Secured Claim arises from an Irrevocable Standby Letter of Credit posted by the Debtor in favor of Torkelson's Prairie Hill Cheese Plant, Inc. ("Prairie Hill"). Shortly after the filing of this Chapter 11 case, Prairie Hill drew upon the Irrevocable Standby Letter of Credit thereby establishing the Secured Claim.

10. During the course of this Chapter 11 case, this Court has entered a series of Agreed Orders authorizing the Debtor's use of cash and cash equivalents that serve as collateral for the Secured Claim.

11. The Debtor and Mexican Cheese Producers, Inc. ("MCP") began litigating in the Circuit Court of Cook County, Illinois ("State Court") in 2003. MCP filed claims in this Chapter 11 case which aggregate in excess of \$5,500,000.00. The Debtor objected to these claims.

12. The Debtor considered and explored every possible exit strategy from this Chapter 11 case. The Debtor eventually elected to pursue a reorganization under existing ownership and management. The Debtor's original Plan of Reorganization and First Amended Plan of Reorganization provided for the payment of 100% of all allowed claims, including the allowed claims of MCP. MCP objected to these Plans of Reorganization on various grounds primarily relating to the Debtor's separate classification of MCP's claims

from those of other unsecured creditors. The Committee fully supported the Debtor's First Amended Plan of Reorganization.

13. After considering MCP's objections to confirmation, this Court commenced a combined hearing on the estimation of certain of MCP's claims, the objections to other claims of MCP and the feasibility of the Plan ("Feasibility/Estimation Hearing"). Both MCP and the Debtor retained expert witnesses with respect to the issues in this trial. The parties conducted extensive discovery in preparation for this 12 day trial which was scheduled to conclude in April 2007.

14. After the commencement of the Feasibility/Estimation Hearing, the Debtor, MCP and the Committee engaged in lengthy settlement negotiations which culminated in a global settlement among the parties that resolved all litigation matters and set the stage for confirmation of a consensual Plan of Reorganization.

15. The Plan, which also provides for the approval and implementation of this global settlement, provides for payment of all allowed claims in full with interest from the Debtor's existing cash resources and from a loan in the amount of \$1,500,000.00 to be made to the Debtor by Hector Cuellar, one of its shareholders.

16. Only one creditor; namely Wisconsin Cheese Co., objected to confirmation of the Plan. On July 17, 2007, this Court issued its Memorandum Opinion and Order overruling the objections to the Plan and settlement, confirming the Plan and approving the settlement.

17. As of the filing of this Motion, the proceeds of the loan from Hector Cuellar have been distributed by the Debtor to the holders of allowed claims as required by the Plan.

18. Other events have occurred during the course of this Chapter 11 case which are detailed later in this Motion.

**Final Compensation  
and Expenses Requested**

19. CHSWC is a law firm whose practice is almost exclusively concentrated in the fields of bankruptcy and insolvency. CHSWC is comprised of five (5) members and one (1) associate, some of whom have participated in representing the Debtor in this bankruptcy case.

20. The following is biographical information pertaining to those attorneys who have been primarily involved in the representation of the Debtor. Other attorneys at CHSWC have also participated to a lesser extent in this Chapter 11 case. Each such attorney has significant experience and expertise in bankruptcy and litigation matters.

21. DAVID K. WELCH is a member of the law firm of Crane, Heyman, Simon, Welch & Clar and has been practicing law in the State of Illinois since 1982. His practice has always been primarily concentrated in the fields of bankruptcy, insolvency and debtor's and creditor's rights. He has represented debtors, trustees, creditors' committees, secured creditors, unsecured creditors and equity holders. From October, 1979, through June, 1982, he served as Deputy Chapter 13 Trustee in the Northern District of Illinois under Craig Phelps, Chapter 13 Trustee. He has authored articles for the Illinois Institute of Continuing Legal Education on matters involving bankruptcy and insolvency. He has lectured at seminars relating to bankruptcy issues at the Chicago Bar Association and the American Bankruptcy Institute as well as other legal and business organizations. He has served as a member of the Bankruptcy Mediation Panel Sub-Committee of the Chicago Bar Association which drafted the local mediation rules for the Bankruptcy Court in Chicago, Illinois. Furthermore, in conjunction with his financial mediation and negotiation training, he has completed a course sponsored by the National Institute for Trial Advocacy in conjunction with Northwestern University. He is a member of the Federal Trial Bar and is admitted to practice before the United States Court of Appeals for the Seventh Circuit. Mr. Welch is also admitted to practice in the United States District Courts for the Northern

District of Indiana, Central District of Illinois and Eastern District of Wisconsin. He is a member of several other bar associations and legal organizations. He was formerly a member of the Standing Committee of the Illinois State Bar Association on Liaison with the Attorney Registration and Disciplinary Commission. Mr. Welch is the former Chairman of the Chicago Bar Association Committee on Bankruptcy and Reorganization and is a former member of the Advisory Board of the American Bankruptcy Institute.

22. ARTHUR G. SIMON is a member of the law firm and has been practicing law in the State of Illinois since 1979. Beginning in 1981, he became engaged almost exclusively in the practice of bankruptcy and insolvency litigation and has represented virtually every type of party in such matters, including Chapter 7 and Chapter 11 debtors, secured creditors, landlords, trustees, and creditors' committees. His activities have included, among others, membership in the Chicago Bar Association Committee on Bankruptcy and Reorganizations and Illinois State Bar Association, Commercial, Banking and Bankruptcy Law Section Council. He formerly served as the Editor of the Committee on Bankruptcy Advance Sheets of the Chicago Bar Association. In that capacity, he reported the rulings and opinions of the Bankruptcy Judges in the Northern District of Illinois to the Bankruptcy Committee members of the Chicago Bar Association. He has also provided the same service in his role as a member of the Illinois State Bar Association Commercial, Banking and Bankruptcy Law Section Council. He is a former elected delegate to the Illinois State Bar Association assembly. Mr. Simon is a member of the Federal Trial Bar and is admitted to practice before the United States Court of Appeals for the Seventh Circuit.

23. JEFFREY C. DAN is an associate at Crane, Heyman, Simon, Welch & Clar and has been practicing law in the State of Illinois since 1997. He is a graduate of DePaul University School of Law. He has practiced as a trial attorney in a number of areas of the law including personal injury, domestic relations, criminal law and commercial litigation.

Mr. Dan joined the firm in September of 2002 and has been actively involved in all aspects of bankruptcy litigation as well as State Court litigation that arises in insolvency matters. Mr. Dan is also admitted to practice in the United States District Courts for the Eastern District of Wisconsin and Central District of Illinois.

24. The hourly rates usually charged by CHSWC in matters of this nature are as follows:

<u>Attorney</u>	<u>2007</u>	<u>Hourly Rate</u>
Eugene Crane (EC) <sup>1</sup>	\$410.00	
Glenn R. Heyman (GRH)	\$410.00	
Arthur G. Simon (AGS)	\$390.00	
David K. Welch (DKW)	\$390.00	
Scott R. Clar (SRC)	\$390.00	
Jeffrey C. Dan (JCD)	\$290.00	

25. The following is a chart that depicts the total hours that each attorney at CHSWC expended in representing the Debtor during the relevant period:

<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>
Eugene Crane	.8	\$ 328.00
Glenn R. Heyman	.7	287.00
Arthur G. Simon	1.9	741.00
David K. Welch	244.7	95,433.00
Jeffrey C. Dan	<u>20.3</u>	<u>5,807.00</u>
<b>Total</b>	<b>268.4</b>	<b>\$102,676.00</b>

26. During the course of the representation of the Debtor during the relevant period, CHSWC incurred expenses of \$9,502.81. These expenses are itemized on **Exhibit B** to this Motion.

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<sup>1</sup> These are the abbreviations utilized in the Exhibits to this Motion.

Legal Services Rendered to the Debtor

27. The representation of the Debtor is categorized in this Motion as follows:

A. General Administration

The matters in this category include assisting the Debtor with the general administration of this bankruptcy case and the Debtor's business operations and financial affairs, filing routine motions and filing professionals' fee applications. Also included in this category are legal services related to responding to general creditor inquiries and assisting the Debtor with its monthly operating reports.

Total Time Expended	27.9 hours
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Attorney	Hours	Amount
David K. Welch (DKW)	27.1	\$10,569.00
Eugene Crane (EC)	0.8	<u>328.00</u>
<b>TOTAL</b>	<b>27.9</b>	<b>\$10,897.00</b>

Attached to this Motion as **Exhibit C** is an itemization of the legal services rendered in this category.

B. Cole Taylor/Cash Collateral

As of the filing of this Chapter 11 case, the Bank was the Debtor's only secured creditor. The Bank is asserting a lien on all of the Debtor's assets to secure a claim in the present amount of approximately \$186,000.00. The Bank and the Debtor have routinely negotiated the terms and conditions of a series of consensual Cash Collateral Orders that have been entered by this Court. The Debtor has also successfully prosecuted an objection to the Bank's claim which concluded with the entry of a consensual Order by this Court.

Total Time Expended	6.9 hours
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<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>
Glenn R. Heyman (GRH)	.7	\$ 287.00
David K. Welch (DKW)	5.2	2,028.00
Jeffrey C. Dan (JCD)	1.0	<u>290.00</u>
<b>TOTAL</b>	<b>6.9</b>	<b>\$2,605.00</b>

Attached to this Motion as **Exhibit D** is an itemization of the legal services rendered in this category.

C. **Chapter 11 Exit Strategy**

CHSWC fully advised the Debtor of its options with respect to emerging from this Chapter 11 case. The Debtor discussed its options with the Committee and solicited the Committee's comments. After completely analyzing its options, the Debtor elected to file the Plan (within the exclusive period established by Orders of this Court). The Debtor also obtained extensions of its exclusive right to solicit acceptances of the Plan over the objections of MCP. Ultimately, in conjunction with the global settlement with MCP and the Committee, the Debtor was able to confirm the Plan over the objections of Wisconsin Cheese Co. The Debtor has already made distributions of \$1,500,000.00 to the holders of allowed claims pursuant to the Plan.

**Total Time Expended** **133.9 hours**

<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>
David K. Welch	122.4	\$47,736.00
Arthur G. Simon	1.9	741.00
Jeffrey C. Dan	9.6	<u>2,784.00</u>
<b>TOTAL</b>	<b>133.9</b>	<b>\$51,261.00</b>

Attached to this Motion as **Exhibit E** is an itemization of the legal services rendered in this category.

D. **Matters Involving MCP**

The Debtor had been litigating with MCP since 2003. MCP was asserting the largest single non-insider unsecured claim in this Chapter 11 case that aggregated approximately \$5,500,000.00. The Debtor objected to each of MCP's claims.

After commencement of the Feasibility/Estimation Hearing, the Debtor, MCP and the Committee were able to reach a global settlement of all matters in controversy. This herculean settlement effort culminated with the confirmation of the Plan.

**Total Time Expended** **93.8 hours**

<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>
David K. Welch	89.8	\$35,022.00
Jeffrey C. Dan	4.0	<u>2,160.00</u>
<b>TOTAL</b>	<b>93.8</b>	<b>\$36,182.00</b>

Attached to this Motion as **Exhibit F** is an itemization of the legal services rendered in this category.

E. **Collection Action v. Customers**

Shortly before confirmation of the Plan, the Debtor commenced an adversary proceeding in this Court to collect certain amounts due for goods shipped to customers. This complaint is pending in this Court.

**Total Time Expended** **5.9 hours**

<u>Attorney</u>	<u>Hours</u>	<u>Amount</u>
David K. Welch	0.2	\$ 78.00
Jeffrey C. Dan	5.7	<u>1,653.00</u>
<b>TOTAL</b>	<b>5.9</b>	<b>\$1,731.00</b>

Attached to this Motion as **Exhibit G** is an itemization of the legal services rendered in this category.

**Conclusion**

28. Other than as provided in Section 504(b) of the Bankruptcy Code, CHSWC has not shared, nor agreed to share, any compensation received as a result of this case

with any person, firm or entity. The sole and exclusive source of compensation shall be funds of the Debtor.

29. CHSWC asserts that the compensation requested in this Motion is reasonable compensation for the actual and necessary legal services rendered based upon the time, nature, extent and value of such professional services. CHSWC further asserts that the cost of legal services rendered for and on behalf of the Debtor is comparable to the cost of similar services in matters other than under the Bankruptcy Code.

30. CHSWC asserts that the expenses for which reimbursement is sought in this Motion are reasonable and were actual and necessary expenditures required in the representation of the Debtor.

31. CHSWC submits that the compensation and expenses requested are fair, reasonable and warranted under the circumstances.

32. CHSWC also requests that this Court allow the Interim Allowances under Section 330 of the Bankruptcy Code.

WHEREFORE, DAVID K. WELCH and the law firm of CRANE, HEYMAN, SIMON, WELCH & CLAR, Debtor's Counsel, pray for the entry of an Order allowing final compensation and reimbursement of expenses in the amounts of \$102,676.00 and \$9,502.81, respectively; allowing the Interim Allowances under Section 330 of the Bankruptcy Code; and granting such other relief as may be just and appropriate.

Respectfully Submitted,

DAVID K. WELCH, and the law firm of CRANE, HEYMAN, SIMON, WELCH & CLAR

By: /s/David K. Welch

**DEBTOR'S COUNSEL:**

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